

MINUTES OF THE  
WEST LAFAYETTE REDEVELOPMENT COMMISSION  
January 24, 2003

Redevelopment Commission members present: Steve Belter, Chris Corrigan, Barbara Cook, Earle Nay, and Patsy Hoyer. Also in attendance: Clerk-Treasurer Judy Rhodes, City Attorney Bob Bauman, Development Director Josh Andrew, Charlotte Martin, Michelle White, Joe Hornett and Greg Deason of Purdue Research Foundation, Tom Gall of T.J. Gall & Associates, and citizens and members of the media.

Mr. Belter called the meeting to order at 12:35 pm.

OLD BUSINESS

Mr. Nay made a motion to approve the minutes of December 20, 2002. Ms. Cook seconded. Mr. Nay asked for clarification on page one. The sentence, "A number of figures were discussed", needed to be added to the beginning of page two. The motion passed unanimously 4-0.

Mr. Nay made a motion to approve the minutes of January 7, 2003. Ms. Cook seconded. The motion passed unanimously 4-0.

NEW BUSINESS

Mr. Belter stated that the first item of business is Resolution RC-2003-1, an additional appropriation of the Levee/Village TIF Districts. This appropriation is to help pay for the auger cast pilings underneath the restaurant as previously discussed.

Mr. Belter opened a public hearing and asked if there were any questions from the public regarding Resolution RC-2003-1. None were made. The public hearing was closed.

Mr. Nay made a motion to adopt Resolution RC-2003-1. Ms. Cook seconded.

Mr. Belter asked if the restaurant still wanted to open for the summer time. Mr. Gall answered yes but it doesn't seem that they will open until October.

The motion passed unanimously 4-0.

Mr. Nay made a motion to pay the claims in the amount of \$45,492.16 for work on the greenways and Research Park Infrastructure. Ms. Cook seconded. The motion passed unanimously 4-0.

Ms. Cook made a motion to adopt RC-2003-2, an application for the Certified Technology Park. Mr. Nay seconded.

Mr. Belter stated that the State Legislature included in a bill language defining certified technology parks and how to go about creating one. The purpose being to provide us the funding mechanism for high-tech business growth in Indiana. The City and Purdue Research Foundation prepared an application for the Department of

Commerce who has to approve them. The funding mechanism that is created is that the increase and sales are used taxes and the increase in payroll taxes created in that district will be captured over a period of time up to a maximum of 5 million dollars. That money can be used for things such as improvements and economic development in the Research Park to facilitate that development.

Mr. Belter stated that what will be small is the sales and use tax because most of the people and companies located in the Research Park won't have a lot of purchases or a lot of sales that generate sales or use tax. What we hope will be big is the increase number of jobs and high paying jobs that will be significant state income tax paid.

Mr. Nay stated that he found it interesting that the description didn't include the cap. Is this potentially a 5 million dollar cap? Is this a lifetime cap? Mr. Bauman answered yes. Currently it is a hard cap and the important thing about it is a cap of the money in terms of the revenue you capture.

Mr. Corrigan asked if we planned on any of that money helping to pay off the bond out there. Mr. Bauman stated that no, there isn't any increment from the property taxes to pay that. What we're looking at here is some additional types of infrastructure that we think would be useful.

Mr. Hornett gave thanks to Mike Brooks because in the end, it was a lot of his behind the scenes work during the special legislative session that got this tax package together. This has really been a cooperative effort including Mr. Bauman and Mr. Andrew in terms of getting the application together. I think it is very important that the Research Park is labeled as a Certified Technology Park. It will help with the marketing of the park and attracting those businesses that we hope to attract. We hope to grow out there. Thanks to all who have worked on this.

Mr. Bauman wanted to give thanks to Greg Deason as well.

Mr. Brooks stated that this is another indication of how we are trying to set Indiana to be competitive. This is a continuation of our State's commitment, and we just have to keep pushing it. It's really important to get this application.

Mr. Bauman stated that as the State moves forward, I think it is important if we are in the first part of the line.

Mr. Corrigan asked what the estimates are. Mr. Bauman stated that he believes that we can capture the 5 million dollars. If you look at the projections of the park roads discussed previously on the infrastructure project, that's very doable.

Mr. Bauman said to remember that the money being captured will turn around and be spent on improvements there. That will go directly back into the economy and be taxable.

Mr. Brooks stated that once this application is accepted, from then until the end of the year, the State has a responsibility to determine the bench mark for wages and sales tax so that there is a bench mark so that when it goes into effect in Jan. 2004, the main thing that goes above that bench mark is what funnels into this fund.

Ms. Cook asked if this only applies to new companies coming in. Mr. Bauman stated that he didn't believe so. We have some existing companies out there that are growing.

Ms. Cook asked if this pertains to the whole Research Park. Mr. Bauman said no, only Phase II, Part II & Part III, which would be North of Cumberland.

Ms. Rhodes asked if it (option income tax) is a tremendous advantage for the character of the county because this feeds back to the county which then is required to distribute it among the jurisdiction. Is that a disadvantage for a jurisdiction like West Lafayette that does carry high property tax?

Mr. Belter stated a distinction in that we are capturing the increments. If there was no increment, we wouldn't be capturing anything. It's not that we are cutting down what they receive.

Mr. Brooks said to keep in mind that in creating this Technology Park is the ability to create more jobs.

Mr. Nay stated that the announcement talks about strictly public facilities. Can you define public facilities? Mr. Brooks answered by saying that the language says basically that it would be taxable if it was in a private sector.

Mr. Bauman clarified that it could be any of the typical kinds of infrastructure, plus it could also include facilities that would be directly used, such as incubated space.

Ms. Hoyer asked who would own this stuff. Mr. Belter said that would be up to us. Mr. Bauman stated that it may also be driven by the financing. If it were a lease financing by the Redevelopment Authority, we in financing this infrastructure can figure in fiber-optics, nobody figures in the fiber so there is a possibility for us to finance solid fiber throughout the park and owning that.

Mr. Nay said that infrastructures, sewers, and roads make sense as a public facility. Building a building for PRF's direct use isn't as clear.

Mr. Belter stated that it's allowed for in the legislation. Whether or not we chose to do that is our decision.

Mr. Bauman stated that these incubation facilities are what grow the businesses to turn around and create a material number of jobs beyond the initial entrepreneur. I think that we should appreciate the role that PRF has under taken in doing this.

Mr. Nay stated that if we don't have projects that have some sense, that we should be very intuitive to the accumulation. Then nobody has thought about how it's going to get redistributed if it isn't used.

Mr. Belter disagreed. There isn't any shortage of a "laundry list" of things that could be invested in to help facilitate the growth of jobs there. We are looking at

identifying three to five years from now at what the best use for that money is and that's tough right now.

Mr. Bauman stated that it is a question of selecting priorities. It's not that there's any shortage of appropriate infrastructure or needs to promote the Economic Development.

Mr. Nay said that's the key phrase "appropriateness". Mr. Corrigan stated if that's the key word, we're going to be doing that. We are committing to doing these types of things.

Mr. Belter asked about the conversation with Lucy Emison about the steps that we need to take. My understanding is that we approve this, and then the City Council has to approve it. At that point, are we ready to submit the application? Mr. Bauman stated that he believes that we need to have a confirmatory resolution here again as far as the tax abatement process works.

Mr. Belter asked if there were any other questions or comments. None were made.

The motion passed unanimously 4-0.

The Commission scheduled there next two meetings for Friday, February 21<sup>st</sup> at 12:30 pm and Friday, March 14<sup>th</sup> at 12:30 pm.

Ms. Nay made a motion to adjourn. Mr. Cook seconded. The meeting adjourned at 1:15 pm.

Respectfully submitted,

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Francis Earle Nay, Recording Secretary

Approved:

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Stephen Belter, President

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